

Sub:-Irrigation & Cad (IW- ARB) Department - **Suits -**  
**Settlement of Arbitration Award by way of conciliation**

-  
Work related to formation of earth dam from KM.1.90 to  
2.36 K.M  
across Suvarnamukhi River, Vengalaraya Sagaram  
Project ,  
Vijayanagaram District under agreement No.44-SE/78-  
79 dt.10/3/1979 -  
Detailed = Report - Called for.

Ref:- Representation received from Sri S. Raghurama Reddy,  
Cintractor  
Flat No.303, Rayal Castle, Road No.2, Castle Hills,  
Masab Tank,  
Hyderabad, dt.12-06-2008.

2. Hon'ble High Court of A.P. Order dt.13-06-07.  
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A representation has been received from Sri S. Raghuram Reddy, with a request to settle his pending claims by way of conciliation as per the orders of Hon'ble High Court dt. 13-06-07. The work relating to formation of earth dam from KM 1.90 to 2.36 across Suvarnamukhi River Vengalaraya Sagaram Project Vijayanagaram District was awarded to him vide Agreement No.44-SE/78-79 dt.10-03-1979.

Sri S. Raghurami Reddy, Contractor has further submitted that under reference 1<sup>st</sup> cited the Arbitrator has been directed to be settled by Hon'ble High court by conciliation on my representation within certain period.

He has also further submitted that his representation on 4-8-07 and requested to take up the matter for settlement. But so far he has not received any communication in furtherance here to. He has therefore herewith enclosing the order copy for Government reference.

Sri S. Raghurami Reddy once again requested the Government to referrer his case for conciliation to the committee formed in this regard vide G.O.Ms.No.103 dt.24-01-08 at an early date,

In this connection it is submitted that Sri S. Raghuram Reddy has not submitted his full particulars in the representation except High Court Order and also a Xerox Copy of the earlier representation dt.4-08-07.

It is further submitted that the Hon'ble High Court in its order dt.18-6-07 stated that **"regarding the long lapse of time and the pendency of the proceedings all along. It would suffice in the interest of justice and also in the interest of both parties to make an effort of conciliation to the effect of settlement .**

**In this process an attempt can be made by directing the respondents - claimants to approach the Prl. Secretary of the concerned department by filing appropriate comprehensive representation on behalf of the claimants . On filing of which the said authority shall hear both sides after being notice and opportunity and make an effort to conciliate and settle the claims. The respondent-Claimants shall file the said representation with in a period of three weeks from today ie.,18-06-2007 and the Prl. Secretary of the said authority shall conciliate the meetings and try to settle the matter with in a period of three months thereafter.**

In view of the above position it is submitted Sri S. Raghurami Reddy has not submitted to the earlier representation to prove his sincerity in due time ( 3 weeks ) as prescribed by the Hon'ble High Court to settle his case within 3 months. He should be seek permission from Hon'ble High Court for extension of time (ie.3 weeks)

In this connection it is submitted that no back papers are available in the Section as the case is pertains to 1991.

It is for Orders, whether a detailed report in addition to the following points may be obtained from Engineer-in-Chief Medium Irrigation / S.E. and an opinion of the LAW Department on para may be obtained pending receipt of the report from Engineer-in-Chief Medium Irrigation.

How much amount has been sanctioned by the Govt. for the work of Earth Dam from KM 1.90 to 2.36 KM Suvarnamukhi River Vengalraya Sagaram Project Vijayanagaram District. and for how much amount technical sanction has been given

Date of calling tenders, finalization of tenders, date of commencement of agreement and date of execution of work.

How much amount has been paid to Sri S. Raghuram Reddy, Contractor and the balance. If any

whether the petitions have been filed by concerned authority (i.e., En-in-Chief./S.E.) and contractor in the II Senior Civil Judge, City Civil court, Hyd., and in the Hon'ble High Court; if so copy may be sent.

Whether any permission has been given by Government to use the sand from nearest bank of the river/Govt. land at the time of execution of work, if not how the contractor procured the material

Whether any permission has been given by Government to use the block rock from nearest quarry of Government at the time of execution of work, if not how the contractor procured the material and intimate if any Vigilance cases are pending against the proposal.

D.O.Lr.No. 18496 /ARB/2008-1      Dated: 28-06-2008.

Dear Sri

Sub:-Irrigation & Cad (IW- ARB) Department - **Suits - Settlement** of Arbitration Award by way of conciliation - Work related to formation of earth dam from KM.1.90 to 2.36 K.M across Suvarnamukhi River, Vengalaraya Sagaram Project , Vijayanagaram District under agreement No.44-SE/78-79 dt.10/3/1979 - Detailed Report - Called for.

Ref:- 1.Representation received from Sri S. Raghuram Reddy, Contractor, Flat No.303, Rayal Castle, Road No.2, Castle Hills, Masab Tank, Hyderabad, dt.12-06-2008.

2. Hon'ble High Court of A.P. Order dt.08-06-07.

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Please find enclosed copy of the references cited and you are requested to furnish detailed report in addition to the following points:-

1. How much amount has been sanctioned by the Govt. for the work of Earth Dam from KM 1.90 to 2.36 KM Suvarnamukhi River Vengalaraya Sagaram Project Vijayanagaram District. and for how much amount technical sanction has been given;

2. Date of calling tenders, finalization of tenders, date of commencement of agreement and date of execution of work;
3. How much amount has been paid to Sri S. Raghuram Reddy, Contractor and the balance, if any;
4. Whether the petitions have been filed by concerned authority (i.e., En-in-Chief./S.E.) and contractor in the II Senior Civil Judge, City Civil court, Hyd., and in the Hon'ble High Court; if so copy may be sent;
5. Whether any permission has been given by Government to use the sand from nearest bank of the river / Govt. land at the time of execution of work, if not how the contractor procured the material; and
6. Whether any permission has been given by Government to use the block rock from nearest quarry of Government at the time of execution of work, if not how the contractor procured the material and intimate if any Vigilance cases are pending against the proposal.

Yours sincerely.

(A

.K. JAIN)  
To  
Sri P.S. R. Subrahmanyam,  
Eng-in-Chief,  
Medium Irrigation, Hyderabad,

(Issued as Govt. D.O.Lr.No. 18496/ARB/08, dt.28-6-08)  
(Issued as Govt.Memo.No.18496/ARB/08, dt.16-7-08)

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It is submitted that in D.O.Lr.dt.28-6-08 Government requested the Engineer-in-Chief, Medium Irrigation., Hyderabad to furnish a detailed report on the work related to formation of earth dam from KM.1.90 to 2.36 K.M across Suvarnamukhi River, Vengalaraya Sagaram Project , Vijayanagaram District under agreement No.44-SE/78-79 dt.10/3/1979. But, the reply has not been received so far from him. A committee was constituted for conciliation with the Contractor as per the orders of Hon'ble High Court letter dt.16-7-08.

In this connection it is submitted that, the ENC (Med.Irr) has furnished the report of the Committee for Andhra Region negotiated with the Contractor Sri S. Raghuram Reddy, on the claims awarded

by the Arbitrator and IV Additional Judge, City Civil Court., Hyderabad. The Contractor accepted to reduce the rate of Interest from 15% to 9%. The Contractor also agreed to pay the counter claims of Rs.2,00,000/- towards hire charges of departmental machinery in addition to the counter claim awarded by the Arbitrator. The amount payable to the contractor is as follows:

#### FINAL CALCULATIONS

Award amount as on 30-06-1991	Rs.16,90,109/-
Rate of Interest offered by the Contractor from 7-5-86 to 1-12-89 and 30-6-91 to 30-9-08	9%
Counter claims payable to the Department	Rs.2,48,210/-
Net Principle payable to the contractor after conciliation (Rs.16,90.109 - Rs.2,48,210)	Rs.14,41,899/-
Amount paid to the contractor on 30-11-93 consequent to interim order of Hon'ble High Court dt.17-9-93.	Rs.14,85,562/-
Period of interest payable to the contractor at 9% for the periods 7-5-1986 to 1-12-1989 and 30-06-1991 to 30-11-1993 ie., 5 years 11 months 25 days	5.9860 years

Apportion of amount paid between Principle and interest

$$\text{Principle} + \text{Interest} + P + \text{PNR} / 100 = P(1 + \text{NR} / 100)$$

$$A = P (1 + \text{NR} / 100)$$

$$1485562 = P \times (1 + 5.9860 \times 9 / 100) = P \times 1.5387$$

Principle in paid amount (Rs.14,85,562/1.5387	Rs.9,65,466/-
Interest paid up to 30-11-93 (Rs14,85,652 - 9,65,466)	Rs.5,20,096/-
Balance Principle (14,41,899 - 9,65,466)	Rs 4,76,433/-
Interest to be paid for the period from 7-5-86 to 1-12-89 and 30-6-91 to 30-9-2008(assuming payment later by 30-9-2008	3 years 6M 25 days +17 Yr 3 M = 20 yr 9M 25 days.ie.,20.8194
Interest Rs.4,76,371 x 20.8194* 9/100	Rs.8,92,598/-
Total amount including Principle 4,76,371 + 8,92,598 =	Rs.13,68,969/-
<b>Net conciliated claim amount</b>	<b>Rs.13,68,969/-</b>

The ENC(I) has stated that Budget Provision of Rs.100.00 lakhs in the B.E. 2008-09 for Vengalarayasagaram Project under Plan grant under Head of Account "4701 M & M1 - 03 - Medium Irrigation-141- Vengalarayasagaram Project SH -27 canals - 530 Major works - 531 - Other Expenditure ". He is therefore requested to issue necessary orders for payment of Rs.13,68,969/- toward settlement.

It is submitted that the contractor instead of giving his declaration on non-judicial stamp papers the contractor has given on white paper in a letter form. The contractor finally agreed for total settlement of Rs.13,68,969/- vide his letter dt.4-8-2008 and to withdraw all legal proceeding in Hon'ble Court.

The Advocate General, High Court has stated in opinion No.67/2008, dated 4-6-08 concerned Prl. Secretary is the final authority to settle the matters finally and not the committee constituted to assist the Prl. Secretary.

In view of the above orders, it is submitted that conciliation may be conducted between the contractor and Prl. Secretary concerned for final settlement of the issue.

Please see the notes of this Department at PP 1-6 ante and also see the orders of Prl. Secretary at Para 20 above.

It is submitted that based on the representation of Sri S. Raghuram Reddy, Contractor, the ENC(MI), Hyderabad was requested to furnish a detailed report on the work related to formation of earth dam from KM.1.90 to 2.36 K.M across Suvarnamukhi River, Vengalaraya Sagaram Project, Vijayanagaram District under agreement No.44-SE/78-79 dt.10/3/1979.

-7-

23. The ENC (Med.Irr) has furnished the report of the Committee for Andhra Region negotiated with the Contractor Sri S. Raghuram Reddy, on the claims awarded by the Arbitrator and IV Additional Judge, City Civil Court., Hyderabad. The Contractor accepted to reduce the rate of Interest from 15% to 9%. The Contractor also agreed to pay the counter claims of Rs.2,00,000/- towards hire charges of departmental machinery in addition to the counter claim awarded by the Arbitrator. The amount payable to the contractor is as follows:

FINAL CALCULATIONS

Award amount as on 30-06-1991	Rs.16,90,109/-
Rate of Interest offered by the Contractor from 7-5-86 to 1-12-89 and 30-6-91 to 30-9-08	9%
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Net Principle payable to the contractor after conciliation (Rs.16,90.109 - Rs.2,48,210)	Rs.14,41,899/-
Amount paid to the contractor on 30-11-93 consequent to interim order of Hon'ble High Court dt.17-9-93.	Rs.14,85,562/-
Period of interest payable to the contractor at 9% for the periods 7-5-1986 to 1-12-1989 and 30-06-1991 to 30-11-1993 ie., 5 years 11 months 25 days	5.9860 years

Apportion of amount paid between Principle and interest

Principle + Interest + P + PNR /100 = P(1+NR/100)  
A= P (1+NR/100)

1485562 = P x (1+5.9860 x 9/100) = P x 1.5387



Principle in paid amount (Rs.14,85,562/1.5387	Rs.9,65,466/-
Interest paid up to 30-11-93 (Rs14,85,652 - 9,65,466)	Rs.5,20,096/-
Balance Principle (14,41,899 - 9,65,466)	Rs 4,76,433/-
Interest to be paid for the period from 7-5-86 to 1-12-89 and 30-6-91 to 30-9-2008(assuming payment later by 30-9-2008	3 years 6M 25 days +17 Yr 3 M = 20 yr 9M 25 days.ie.,20.8194
Interest Rs.4,76,371 x 20.8194* 9/100	Rs.8,92,598/-
Total amount including Principle 4,76,371 + 8,92,598 =	Rs.13,68,969/-
<b>Net conciliated claim amount</b>	<b>Rs.13,68,969/-</b>

24. The ENC(I) has stated that Budget Provision of Rs.100.00 lakhs in the B.E. 2008-09 for Vengalarayasagaram Project under Plan grant under Head of Account "4701 M & M1 - 03 - Medium Irrigation-141- Vengalarayasagaram Project SH -27 canals - 530 Major works - 531 - Other Expenditure ". He is therefore requested to issue necessary orders for payment of Rs.13,68,969/- toward settlement. The contractor finally agreed for total settlement of Rs.13,68,969/-and given declaration vide his letter dt.4-8-2008 and to withdraw all legal proceeding in Hon'ble Court.

Contd....8

- 8 -

25. In this connection it is submitted that conciliation has been done between the Contractor and Prl. Secretary concerned for final settlement of the issue on 16-9-2008. The Contractor has agreed to reduce the net final conciliated amount of Rs.12,50,000/- inclusive of Principal and Interest in all as lumpsum.

26. In view of the position explained earlier paras. It is for orders the proposal of this Department at Para 25 above may be agreed to and the file may be sent to LAW / Finance (W&P) Department for their kind perusal / concurrence.

32. With reference to the remarks of Law Deptt. at para 31 above, it is submitted that the ENC, Medium Irrigation, Hyderabad may be requested to furnish a copy of the order and decree dated 2-4-1993 passed by the IV Addl. Judge, City Civil Court, Hyderabad in O.P.No.393/91 and the connected records, if any, for taking further action.

33. Subject to orders, a draft Memo is submitted below for approval.

GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & CAD (ARB) DEPARTMENT

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**Memo No. 18496/ARB/2008**

**Dt. 25-10-2008**

Sub:-Irrigation & Cad (IW- ARB) Department - **Suits - Settlement of Arbitration Award** by way of conciliation - Work related to formation of earth dam from KM.1.90 to 2.36 K.M across Suvarnamukhi River, Vengalaraya Sagaram Project, Vijayanagaram District under agreement No.44-SE/78-79 dt.10/3/1979 - Certain information called for—Reg.

Ref: From the ENC, Med. Irr., Hyderabad, Lr.No.ENC/Med/DCE III/OT1/AE/5107/95, dated 29-8-2008.

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The attention of the ENC, Medium Irrigation, Hyderabad is invited to the reference cited and he is requested to furnish a copy of the order and decree dated 2-4-1993 passed by the IV Addl. Judge, City Civil Court, Hyderabad in O.P.No.393/91 and the connected records, if any, for taking further action in the matter.

A.K. JAIN  
SPECIAL SECRETARY TO GOVERNMENT

To  
The Engineer-in-Chief  
Medium Irrigation,  
Hyderabad.

// FORWARDED BY ORDER //

SECTION OFFICER

**GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & CAD (IW-ARB) DEPARTMENT**

Memo.No.18496/ARB/08-2

Dt.16 .07.2008

Sub: Irr.&CAD (ARB) Department - Suits - Settlement of arbitration award - work relating to formation of earth dam from KM.1.90 to 2.36 KM across Swarnamukhi river, Vengalaraya sagaram project Vizianagaram Dist - Under agreement No.44-SE/78-79, Dt.10-3-79 - Constitution of Committee for negotiations and for assessing exact amount of payment to the contractors - Orders - Issued.

- Ref: 1. Letter received from Sri C.V.Mohan Reddy, Advocate General, Letter No.618/2007, Dt.16.7.2007.  
2. Hon'ble High Court of Judicature A.P., Hyderabad, orders dated 8.6.2007 in CRP. No.524/94.  
3. G.O.Rt.No.103, I&CAD (IW:ARB) Deptt., dt.24.1.2008.  
4. G.O.Rt.No.319, I&CAD (IW:ARB) Deptt., Dt.12.3.2008.  
5. Reprn. Received from Sri S.Raghuram Reddy, contractor, Flat No303.Royal castlel RoadNo 2 Castle Hills, Masab Tank Hyd, dt 12.6.2008 and  
6. Hon'ble High Court order dt. 8.6.07.

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In the reference first cited, Advocate General, High Court of A.P., Hyderabad has suggested to constitute Committee for negotiating with the contractor for an amicable settlement within a period of 3 months as directed by the Hon'ble High Court of A.P. Dt.16.7.2007. In the reference 3<sup>rd</sup> cited, Government have issued orders for constituting the region wise committees.

2. As per the orders of Government, the Government have constituted the Committee for Andhra Region to negotiate with the contractor for an amicable settlement with the following Officers:-

1. Engineer-in-Chief, Irrigation., -- Chairman/ Convener
2. Advisor, Andhra Region. -- Member
3. Chief Engineer,Central Designs Organization -- Member
4. Sri. G.V.Krishnaiah, Director, (W.&A) (Rtd) -- Member

3. The above officers are requested to make an effort for conciliation for settlement of the case within one month. The above Officers are also requested to examine the report furnished by the Engineer-in-Chief, Medium Irrigation, Hyderabad pertaining to this case.

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4. The Engineer-in-Chief, Medium Irrigation, Hyderabad, is requested to present the case before the Committee. The Chairman/Convener of the Committee is requested to fix the date for conciliation duly inviting to the concerned party and send a report to the Engineer-in-Chief, Medium Irrigation, Hyderabad, under intimation to the Government along with the recommendations of the Committee. After conciliation, the Engineer-in-Chief, Medium Irrigation, Hyderabad, will send a detailed report along with his specific remarks to Government for further necessary action.

4 The nominated officers are requested to acknowledge the receipt of this Order.

**S.P. TUCKER**  
**PRINCIPAL SECRETARY TO**  
**GOVERNMENT**

To

The Engineer-in-Chief, Irrigation, Hyderabad.

The Chief Engineer, Central Designs Organisation, Hyderabad.

The Advisor, Andhra Region, Secretariat Buildings, Hyderabad.

**Sri. G.V. Krishnaiah, Director, Works and Accounts (Retd)**

**Plot No. B-25 (HUDA), Saroornagar, Huda Complex,**  
**Hyderabad 500 025, Ph.No.24043616**

Copy to:

The Engineer-in-Chief, Medium Irrigation, Hyderabad

The Finance (W&P) Department.

Sri S.Raghu Rami Reddy. contractor, Flat No303. Rayal castle  
Road No 2 Castle Hills, Masab Tank Hyd, dt 12.6.2008 .

P.S. to Spl. Secy./P.S. to Prl. Secretary to Government.

// FORWARDED BY ORDER //

SECTION

OFFICER

GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & CAD (IW-ARB) DEPARTMENT

Memo.No.11898/ARB/08-  
07-2008

Dt. 16-

Sub: Irrigation & CAD (ARB) Department – Suits – Settlement  
of arbitration award - work relating to strengthening

the banks Yanamadurru Drain from KM.48.50to52.00 under agreement

No. LCB No. SE/ CERP/ELR/2/93-94,  
Dt.7.5.93,Visakhapatnam - Constitution of Committee for negotiations and for assessing exact amount of payment to the contractors - Orders - Issued.

Ref: 1. Letter received from Sri C.V.Mohan Reddy, Advocate General, Letter No.618/2007, Dt.16.7.2007.

2. Hon'ble High Court of Judicature A.P., Hyderabad, orders

dated 8.6.2007 in CRP. No.524/94.

3.G.O.Rt.No.103, I&CAD (IW:ARB) Deptt., dt.24.1.2008.

4.G.O.Rt.No.319, I&CAD (IW:ARB) Deptt., Dt.12.3.2008.

5.Reprn. Received from Sri J.Suresh Chandra Reddy, S/o rajulu

Reddy,residing at 4-69-28/1,2<sup>nd</sup> floor Law Son's Bay Colony,

Visakhapatnam,

6.Hon'ble High Court order dt.25.4.2008.

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In the reference first cited, Advocate General, High Court of A.P., Hyderabad has suggested to constitute Committee for negotiating with the contractor for an amicable settlement within a period of 3 months as directed by the Hon'ble High Court of A.P. Dt.16.7.2007. In the reference 3<sup>rd</sup> cited, Government have issued orders for constituting the region wise committees.

2. As per the orders of Government, the Government have constituted the Committee for Andhra Region to negotiate with the contractor for an amicable settlement with the following Officers:-

1. Engineer-in-Chief, Irrigation., -- Chairman/Convenor
2. Advisor, Andhra Region. -- Member
3. Chief Engineer,Central Designs Organisation -- Member
4. Sri. G.V.Krishnaiah, Director, (W.&A) (Rtd) -- Member

3. The above officers are requested to make an effort for conciliation for settlement of the case within one month. The above Officers are also requested to examine the report furnished by the Engineer-in-Chief, Irrigation, Hyderabad pertaining to this case.

4. The Engineer-in-Chief, Irrigation, Hyderabad, is requested to present the case before the Committee. The Chairman/Convener of the Committee is requested to fix the date for conciliation duly inviting to the concerned party and send a report to the Engineer-in-Chief, Irrigation, Hyderabad, under intimation to the Government along with the recommendations of the Committee. After conciliation, the Engineer-in-Chief, Irrigation, Hyderabad, will send a detailed report along with his specific remarks to Government for further necessary action.

5. The nominated officers are requested to acknowledge the receipt of this Order.

**S.P. TUCKER**  
**PRINCIPAL SECRETARY TO**  
**GOVERNMENT**

To  
The Engineer-in-Chief,Irrigation,, Hyderabad.  
The Chief Engineer, Central Designs Organisation, Hyderabad.  
The Advisor, Andhra Region, Secretariat Buildings, Hyderabad.  
**Sri. G.V. Krishnaiah, Director, Works and Accounts (Retd)**  
**Plot No. B-25 (HUDA), Saroornagar, Huda Complex,**  
**Hyderabad 500 025, Ph.No.24043616**

Copy to:

The Engineer-in-Chief, Irrigation, Hyderabad  
The Finance (W&P) Department.  
Sri J.Suresh Chandra Reddy, S/o Rajulu Reddy,residing at 4-69-  
28/1,2<sup>nd</sup> floor Law Son's Bay Colony, Visakhapatnam -530017. .  
P.S. to Spl. Secy./P.S. to Prl. Secretary to Government.  
SF/SC

// FORWARDED BY ORDER //

SECTION  
OFFICER

(Issued D.O.Letter  
No.11898/ARB/08,I&CAD(IW:ARB)Dept.,Dt.18.6.08)

It is submitted that based on the representation received from J.Suresh Chandra Reddy, Visakhapatnam a detailed report has been called from the Engineer-in-Chief ,Irrigation, Hyderabad vide D.O.Lr.Dt.18.6.08 The reply from the Engineer-in-Chief is awaited It is for orders whether a committee may be constituted for conciliation with the contractor as per the orders Hon'ble High Court.

Subject to orders a draft Memo is submitted for approval

(Issued D.O.Letter  
No.18496/ARB/08,I&CAD(IW:ARB)Dept.,Dt.28.6.08)

It is submitted that based on the representation received from S.Raghu Rami Reddy, Vizanagaram a detailed report has been called from the Engineer-in-Chief, MediumIrrigation, Hyderabad vide D.O.Lr.Dt.28.6.08 The

reply from the Engineer-in-Chief Medium Irrigation, Hyderabad is awaited. It is for orders whether a committee may be constituted for conciliation with the contractor as per the orders Hon'ble High Court.

Subject to orders a draft Memo is submitted for approval.

I & C.A.D. (ARB.) DEPARTMENT.

NOTE FOR CIRCULATION

The case relates to implementation of the final conciliation conducted by the Prl. Secy., with the Contractor Sri S.Raghurami Reddy, Contractor and the Dept. for an amount of Rs.12,50,000/- as final settlement of the work relating to formation of earth dam from K.M.1.90 to 2.36 K.M. across Suvarnamukhi River Vengalaraya Sagaram Project, Vizianagaram District under agreement No.44-SE/78-79, dated 10-03-1979.

In his representation dated 12-06-2008, Sri S. Raghuram Reddy, contractor has stated that the Hon'ble A.P.High Court in its order in CRP No.3077/1993 and CMA No.1119/1993, dt.08-06-07, has directed that the award of Arbitrator has to be settled by conciliation on his representation within certain period. Accordingly, he has submitted representation on 04-08-2007 and requested to take up the matter for settlement. But, so far he has not received any communication. He has therefore, requested to refer his case for conciliation to the Committee formed in G.O.Ms.No.103, dated 24-01-2008 at an early date.

In the Govt. Memo. dated 16-07-2008, the case has been referred to the Committee constituted vide G.O.Ms.No.103, I & CAD (ARB) Dept., dt. 24-01-2008, for Andhra Region for negotiation with the contractor for an amicable settlement.



In his letter dated 29-08-2008, the ENC (Med.Irrgn.) has furnished the report of the Committee for Andhra Region negotiated with the Contractor on the claims awarded by the Arbitrator and IV Additional Judge, City Civil Court., Hyderabad. The Contractor accepted to reduce the rate of Interest from 15% to 9%. The Contractor has also agreed to pay the counter claims of Rs.2,00,000/- towards hire charges of departmental machinery in addition to the counter claim awarded by the Arbitrator. As a final and total settlement, the contractor agreed for an amount of Rs.13,68,969/- vide his letter dated 04-08-2008 and to withdraw all legal proceedings in Hon'ble Court in respect of the above subject work.

The ENC(I) has stated that Budget Provision of Rs.100.00 lakhs in the B.E. 2008-09 for Vengalarayasagaram Project under Plan grant under Head of Account "4701 M & M1 - 03 - Medium Irrigation-141- Vengalarayasagaram Project SH -27 canals - 530 Major works - 531 - Other Expenditure". He is therefore requested to issue necessary orders for payment of Rs.13,68,969/- toward settlement.

Submitted that according to the available material papers, the work formation of Earth dam from KM.1.90 to 2.360 across Swarnamukhi River of Vengalarayasagaram Project, Salur (Taluk), Srikakulam District was entrusted to Sri S.Raghurami Reddy, Contractor vide L.S. Agreement No.44 SE/78-79 of SE, Irrgn.Circle, Bobbili, dated 21-08-1980 at Rs.52,13,515/- (i.e., at 22.69% Less than the Estimate value of Rs.77.36 lakhs.). Certain disputes arose between the Contractor and the Dept. The contractor put forth arbitration petition on 15-10-1986 before the panel of Arbitrations. The Contrator instead of attending before the panel of Arbitrator, approached the City Civil Court, Hyderabad for appointment of sole arbitrator. The 1<sup>st</sup> Addl.Judge, CCC, Hyd. Has appointed Sri V.V.Ramanadham, Retd.Dist. & Sessions Judge, Hyderabad as Sole Arbitrator on 21-07-1989. But, the Dept. contested the order of the 1<sup>st</sup> Addl.Judge, CCC before the Hon'ble A.P.High Court. But, the Hon'ble H.C. has upheld the order. The Sole Arbitrator has passed award on 30-06-1991 for an amount of Rs.16,90,109 @12% interest from 07-05-1986 to 01-12-1989 and 15% p.a. from 30-06-1991 onwards. The awarded amount was decreed by the CCC, Hyd. As per the legal opinion, the Dept. has filed appeal in A.P.High Court vide CRP No.3077 and CMA vide S.R.Nos.42135 and 42136. While

the matter pending before the High Court, the contractor has filed EP.No.46/93 for implementation of the judgement and decree on OP.No.393/91 on 19-08-1993. The Dept. has filed CMP.No.13677/93 for stay on proceedings of Lower Court. The High Court stayed the proceedings of lower court provided that 50% of the decretal amount is deposited in the lower court by the Dept. Accordingly the Dept. has deposited the same.

Further submitted that based on the common judgement of the Division Bench of Hon'ble A.P.High Court, dated 16-07-2007 and as per the suggestion of the learned Advocate General, High Court, in the G.O.Rt.No.103, I & CAD (ARB) Dept., dt.24-01-2008, Govt. have constituted three committees for three Regions in the State for negotiation with the contractor for amicable settlement. The case has been referred to the Committee constituted for Andhra Region on 16-07-2008. The Committee has conciliated at an amount of Rs.13,68,969/- with the contractor. The Prl. Secretary to the Government has finally conducted conciliation with the Contractor on 16-09-2008 and the contractor has agreed to reduce the net final conciliated amount of Rs.12,50,000/- inclusive of principle and interest in all as lumpsum.

When the matter referred to Law and Finance Departments, they have agreed the proposal for payment of Rs.12,50,000/- as final settlement to Contractor.

In view of the above circumstances it is submitted for consideration and orders, whether the conciliation proceedings conducted by the Prl. Secretary on 16-09-2008 with the Contractor Sri S.Raghurami Reddy, Contractor for a sum of Rs.12,50,000/- as a final settlement for the work relating to formation of earth dam from K.M.1.90 to 2.36 K.M. across Suvarnamukhi River Vengalaraya Sagaram Project, Srikakulam District under agreement No.44-SE/78-79, dated 10-03-1979.

After orders are passed on para ( ) above, the file may be circulated to Hon'ble Minister for (M&MI) for approval.



I & CAD (ARB) DEPT.

ABSTRACT

ARBITRATION - Suits - Settlement of arbitration award for an amount of Rs.12,50,000/-Payable to Sri S.Raghu Ran Reddy, Contractor in respect of Work relating to formation of Earth dam from K.M.1.90 to K.M.2.360 across Swarnamukhi River of Vengalarayasagaram Project, Salur (Taluk), Vizianagaram District vide Agreement No.44 SE/78-79 of S.E., Irrigation Circle, Bobbili, dated 21-08-1980 - Orders - Issued.

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G.O.(Ms.)No.

Dated the February, 2009.

Read the following:-

1. From Sri S.Raghu Ram Reddy, Contractor, Hyderabad, representation, dated 12-06-2008.
2. G.O.Rt.No.103, I & CAD (ARB) Dept., dt.24-01-2008.
3. Govt.Memo.No.18496/ARB/08-2, dated 16-07-2008.
4. From the ENC (Med.Irrgn.), Hyderabad, Lr.No.ENC/ Med/ DCEIII/OT1/AE/5107/95, dated 29-08-2008.

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O R D E R:

Sri S. Raghuram Reddy, contractor, in the reference first read above has stated that the Hon'ble A.P. High Court in its order in CRP No.3077/1993 and CMA No.1119/1993, dated 08-06-07, has directed both the parties that the award of Arbitrator can be

settled by way of ` conciliation on representation within certain period. Accordingly, he has submitted representation on 04-08-2007 and requested to take up the matter for settlement and also requested to refer his case for conciliation to the Committee formed in G.O.Ms.No.103, dated 24-01-2008 at an early date.

2. In the G.O. second read above, based on the directions of the Hon'ble High Court and as per the suggestion of the Learned Advocate General, Andhra Pradesh, Hyderabad, orders have been issued to constitute three Regional Committees in the State for conduct of conciliation with the Contractors. Accordingly, in the Govt. Memo. third read above, the case has been referred to the Committee for Andhra Region for conducting negotiations with the contractor for an amicable settlement.

3. In his letter dated 29-08-2008, the ENC (Med.Irrgn.) while furnishing the report of the Committee for Andhra Region has stated that the Committee negotiated with the Contractor on the claims awarded by the Arbitrator and IV Additional Judge, City Civil Court., Hyderabad. The Contractor accepted the rate of Interest at 9%. The Contractor has also agreed to pay the counter claims of Rs.2,00,000/- towards hire charges of departmental machinery in addition to the counter claim awarded by the Arbitrator. As a final and total settlement, the contractor agreed for an amount of Rs.13,68,969/- vide his letter dated 04-08-2008 and to withdraw all legal proceedings in Hon'ble Court in respect of the above subject work. The ENC(I) has stated that Budget Provision of Rs.100.00 lakhs is available in the B.E. 2008-09 for Vengalarayasagaram Project under Plan grant under Head of Account "4701 M & M1 - 03 - Medium Irrigation-141- Vengalarayasagaram Project SH -27 canals - 530 Major works - 531 - Other Expenditure". He is therefore requested to issue necessary orders for payment of Rs.13,68,969/- towards the above settlement.

4. Based on the report of the Conciliation Committee for Andhra Region, the Principal Secretary to Government, I & CAD (ARB) Department has finally held conciliation with the contractor on 16-09-2008 and the contractor has agreed to reduce the net final conciliated amount to Rs.12,50,000/- inclusive of principal and interest in all as lumpsum.

5. After careful examination of the matter, Government hereby sanction an amount of Rs.12,50,000/- (Rupees twelve lakhs and fifty thousand only) towards full and final settlement in respect of the above work. The said amount shall be debited to the following Head of Account:

“4701- Major and Medium Irrigation – 03 – Medium Irrigation – 141 – Vengalarayasagaram Project SH – 27 Canals – 530 Major works – 531 Other expenditure”.

6. The Engineer-in-Chief , Medium Irrigation, Hyderabad, is directed to arrange to pay the amount sanctioned at para (5) above, to Sri S.Raghurami Reddy, Contractor, duly deducting the income tax and seigniorage charges, if any.

7. This order issues with the concurrence of Fin. (W&P) Department vide their U.O.No.4884/DFA/08, dated 15-11-2008.

To  
The Engineer-in-Chief, Medium Irrigation,  
I&CAD, Hyderabad.  
The Superintending Engineer, Irrigation Circle,  
Bobbili, Vizianagaram District.  
The Pay & Accounts Officer, Hyderabad.  
The Dy. Pay & Accounts Officer,  
Secretariat Buildings, Hyderabad.  
Sri S.Raghu Ram Reddy, Contractor, Flat No.303,  
Royal Castle, Road No.2, Castle Hills,  
Masabtank, Hyderabad.

Copy to:  
The I&CAD (P&B) Deptt.,  
The Accountant General,  
Andhra Pradesh, Hyderabad.  
The Fin.(Exp.PW) Dept.  
(with a request to release LOC for  
the sanctioned amount).

SF/SC.

**GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & CAD (IW-ARB) DEPARTMENT**

Memo.No.18496/ARB/08-2

Dt.16 .07.2008

Sub: Irr.&CAD (ARB) Department - Suits - Settlement of arbitration award - work relating to formation of earth dam from KM.1.90 to 2.36 KM across Swarnamukhi river, Vengalaraya sagaram project Vizianagaram Dist - Under agreement No.44-SE/78-79, Dt.10-3-79 - Constitution of Committee for negotiations and for assessing exact amount of payment to the contractors - Orders - Issued.

Ref: 1. Letter received from Sri C.V.Mohan Reddy, Advocate General, Letter No.618/2007, Dt.16.7.2007.  
7. Hon'ble High Court of Judicature A.P., Hyderabad, orders dated 8.6.2007 in CRP. No.524/94.  
8. G.O.Rt.No.103, I&CAD (IW:ARB) Deptt., dt.24.1.2008.  
9. G.O.Rt.No.319, I&CAD (IW:ARB) Deptt., Dt.12.3.2008.  
10.Reprn. Received from Sri S.Raghuram Reddy, contractor, Flat No303.Royal castlel RoadNo 2 Castle Hills, Masab Tank Hyd, dt 12.6.2008 and  
11.Hon'ble High Court order dt. 8.6.07.

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In the reference first cited, Advocate General, High Court of A.P., Hyderabad has suggested to constitute Committee for negotiating with the contractor for an amicable settlement within a period of 3 months as directed by the Hon'ble High Court of A.P. Dt.16.7.2007. In the reference 3<sup>rd</sup> cited, Government have issued orders for constituting the region wise committees.

2. As per the orders of Government, the Government have constituted the Committee for Andhra Region to negotiate with the contractor for an amicable settlement with the following Officers:-

1. Engineer-in-Chief, Irrigation., -- Chairman/ Convener
2. Advisor, Andhra Region. -- Member
3. Chief Engineer, Central Designs Organization -- Member
4. Sri. G.V.Krishnaiah, Director, (W.&A) (Rtd) -- Member

4. The above officers are requested to make an effort for conciliation for settlement of the case within one month. The above Officers are also requested to examine the report furnished by the Engineer-in-Chief, Medium Irrigation, Hyderabad pertaining to this case.

PTO

-2-

4. The Engineer-in-Chief, Medium Irrigation, Hyderabad, is requested to present the case before the Committee. The Chairman/Convener of the Committee is requested to fix the date for conciliation duly inviting to the concerned party and send a report to the Engineer-in-Chief, Medium Irrigation, Hyderabad, under intimation to the Government along with the recommendations of the Committee. After conciliation, the Engineer-in-Chief, Medium Irrigation, Hyderabad, will send a detailed report along with his specific remarks to Government for further necessary action.

4 The nominated officers are requested to acknowledge the receipt of this Order.

**S.P. TUCKER  
PRINCIPAL SECRETARY TO  
GOVERNMENT**

To

The Engineer-in-Chief, Irrigation,, Hyderabad.

The Chief Engineer, Central Designs Organisation, Hyderabad.

The Advisor, Andhra Region, Secretariat Buildings, Hyderabad.

**Sri. G.V. Krishnaiah, Director, Works and Accounts (Retd)**

**Plot No. B-25 (HUDA), Saroornagar, Huda Complex,**

**Hyderabad 500 025, Ph.No.24043616**

Copy to:

The Engineer-in-Chief, Medium Irrigation, Hyderabad

The Finance (W&P) Department.

Sri S.Raghu Rami Reddy. contractor, Flat No303.Royal castle  
Road No 2 Castle Hills, Masab Tank Hyd, dt 12.6.2008 .

P.S. to Spl. Secy./P.S. to Prl. Secretary to Government.

// FORWARDED BY ORDER //

SECTION

OFFICER



GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & CAD (IW-ARB) DEPARTMENT

Memo.No.11898/ARB/08-  
07-2008

Dt. 16-

Sub: Irrigation & CAD (ARB) Department - Suits - Settlement of arbitration award - work relating to strengthening the banks Yanamadurru Drain from KM.48.50to52.00 under agreement

No. LCB No. SE/ CERP/ELR/2/93-94,  
Dt.7.5.93,Visakhapatnam - Constitution of Committee for negotiations and for assessing exact amount of payment to the contractors - Orders - Issued.

Ref: 1. Letter received from Sri C.V.Mohan Reddy, Advocate General, Letter No.618/2007, Dt.16.7.2007.  
2. Hon'ble High Court of Judicature A.P., Hyderabad, orders dated

8.6.2007 in CRP. No.524/94.

3.G.O.Rt.No.103, I&CAD (IW:ARB) Deptt., dt.24.1.2008.

4.G.O.Rt.No.319, I&CAD (IW:ARB) Deptt., Dt.12.3.2008.

5.Reprn. Received from Sri J.Suresh Chandra Reddy, S/o  
rajulu  
Reddy,residing at 4-69-28/1,2<sup>nd</sup> floor Law Son's Bay  
Colony,

Visakhapatnam,  
6.Hon'ble High Court order dt.25.4.2008.

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In the reference first cited, Advocate General, High Court of A.P., Hyderabad has suggested to constitute Committee for negotiating with the contractor for an amicable settlement within a period of 3 months as directed by the Hon'ble High Court of A.P. Dt.16.7.2007. In the reference 3<sup>rd</sup> cited, Government have issued orders for constituting the region wise committees.

2. As per the orders of Government, the Government have constituted the Committee for Andhra Region to negotiate with the contractor for an amicable settlement with the following Officers:-

1. Engineer-in-Chief, Irrigation., -- Chairman/Convenor
2. Advisor, Andhra Region. -- Member
3. Chief Engineer,Central Designs Organisation -- Member
4. Sri. G.V.Krishnaiah, Director, (W.&A) (Rtd) -- Member

3. The above officers are requested to make an effort for conciliation for settlement of the case within one month. The above Officers are also requested to examine the report furnished by the Engineer-in-Chief, Irrigation, Hyderabad pertaining to this case.

P.T.O.

4. The Engineer-in-Chief, Irrigation, Hyderabad, is requested to present the case before the Committee. The Chairman/Convener of the Committee is requested to fix the date for conciliation duly inviting to the concerned party and send a report to the Engineer-in-Chief, Irrigation, Hyderabad, under intimation to the Government along with the recommendations of the Committee. After conciliation, the Engineer-in-Chief, Irrigation, Hyderabad, will send a detailed report along with his specific remarks to Government for further necessary action.

5. The nominated officers are requested to acknowledge the receipt of this Order.

**S.P. TUCKER  
PRINCIPAL SECRETARY TO  
GOVERNMENT**

To

The Engineer-in-Chief, Irrigation,, Hyderabad.

The Chief Engineer, Central Designs Organisation, Hyderabad.

The Advisor, Andhra Region, Secretariat Buildings, Hyderabad.

**Sri. G.V. Krishnaiah, Director, Works and Accounts (Retd)**

**Plot No. B-25 (HUDA), Saroornagar, Huda Complex,**

**Hyderabad 500 025, Ph.No.24043616**

Copy to:

The Engineer-in-Chief, Irrigation, Hyderabad

The Finance (W&P) Department.

Sri J.Suresh Chandra Reddy, S/o Rajulu Reddy, residing at 4-69-28/1, 2<sup>nd</sup> floor Law Son's Bay Colony, Visakhapatnam -530017. .

P.S. to Spl. Secy./P.S. to Prl. Secretary to Government.

SF/SC

// FORWARDED BY ORDER //

SECTION

N OFFICER

(Issued  
No.11898/ARB/08,I&CAD(IW:ARB)Dept.,Dt.18.6.08)

D.O.Letter

It is submitted that based on the representation received from J.Suresh Chandra Reddy, Visakhapatnam a detailed report has been called from the Engineer-in-

Chief ,Irrigation, Hyderabad vide D.O.Lr.Dt.18.6.08 The reply from the Engineer-in-Chief is awaited It is for orders whether a committee may be constituted for conciliation with the contractor as per the orders Hon'ble High Court.

Subject to orders a draft Memo is submitted for approval

(Issued D.O.Letter  
No.18496/ARB/08,I&CAD(IW:ARB)Dept.,Dt.28.6.08)

It is submitted that based on the representation received from S.Raghu Rami Reddy, Vizanagaram a detailed report has been called from the Engineer-in-Chief, MediumIrrigation, Hyderabad vide D.O.Lr.Dt.28.6.08 The reply from the Engineer-in-Chief Medium Irrigation, Hyderabad is awaited It is for orders whether a committee may be constituted for conciliation with the contractor as per the orders Hon'ble High Court.

Subject to orders a draft Memo is submitted for  
approval